GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries and Commerce Department – Extension of certain incentives under Biotechnology Policy 2015-20 and Industrial Development Policy 2015-20 to M/s. Tata Chemicals Limited to set up a prebiotic FOS/GOS Manufacturing plant at APIIC Industrial Park, Phase II, Mambattu Village, Tada Mandal, Nellore District – Orders- Issued.

INDUSTRIES & COMMERCE (POLICY & INVESTMENT) DEPARTMENT

G.O.MS.No. 79 Dated: 25-05-2017

Read the following:-

1. Letter of Dr. Arup Basu, President and CTO, M/s. Tata Chemicals Limited, Dt.08.03.2017
2. Email of M/s.Tata Chemicals Limited, and DPR, Dt. 14.03.2017.
3. Email of M/s. Tata Chemicals Limited, Dt. 03.04.2017
4. Empowered Committee Meeting held on 18.04.2017.
5. State Investment Promotion Board Meeting held on 21.04.2017.

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O R D E R:-

In the letter 1st read above, M/s Tata Chemicals Limited have proposed to set up a prebiotic product manufacturing plant mainly for FOS (Fructo -oligosaccharides) and GOS(Galacto-oligosaccharides) manufacturing with an investment of Rs. 400 Cr (Rs.250 Cr in Phase - I and Rs.150 Cr in Phase - II) at APIIC Industrial Park, PhaseII, Mambattu Village, Tada Mandal, Nellore District with a potential to create employment to 230 persons both directly and indirectly. The product is unique in the country and TCL Innovation Centre have developed their own technology in prebiotic products FOS and GOS that improve gut health by promoting the growth of good bacteria. The Company has requested for the following benefits:

i. Capital subsidy of INR 25 crores or 7.5% of gross investments (INR 250 crore), whichever is less.
ii. 25% subsidy for sustainable green measures (as defined in the AP Industrial policy) on gross fixed capital investments (excluding cost of land, land development, preliminary and pre-operative expenses and consultancy fees).
iii. Reimbursement of 100% net VAT/CST/SGST/CGST/IGST for a period of 10 years from the date of commencement of commercial production or upto realization of 100% fixed capital investment (INR 250 crore), whichever is earlier.
iv. Power cost concession of Rs.2 per unit for 10 years from the date

of commencement of commercial production.

v. 100 % reimbursement for electricity duty paid for a period of ten years on continuous basis with the power tariff subsidy.
vi. Interest subsidy @ 5% per annum on term loans, received from banks/financial institution towards purchase of capital equipment for a period of 5 years, subject to maximum of INR 5 Crore.
vii. External Infrastructure
    a. Dedicated power line of 4.5 MW
    b. Water connection of 350 KLD
    c. Street lighting and storm water connection to the allocated plot

2. In the reference 4th read above, the Empowered Committee of Secretaries in its meeting held on 18.04.2017 has discussed the proposal of M/s. Tata Chemicals Limited, and recommended for extending the following incentives:

i. Reimbursement of 100 % VAT/SGST accrued to the State on yearly basis for a period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier.
ii. Power cost reimbursement @ Rs.1.50 per unit for 5 years, as per Biotechnology Policy 2015-20.
iii. 100% cost of providing dedicated power line of 4.5 MW limited to Rs.1.00 Crore or the actual, whichever less.
iv. APIIC to provide the Street lights and Storm water connection upto the doorstep of the Company.
v. 50% subsidy for sustainable green measures with ceiling of INR 50 Cr with the green measures as specified in the IDP 2015-20.
vi. To place the request of the Company for capital subsidy on the lines of Gujarat Biotech policy before the SIPB.
vii. All other incentives as per Biotechnology Policy 2015-20.

3. In the reference 5th read above, the State Investment Promotion Board (SIPB) in its meeting held on 21.04.2017 discussed the proposal of M/s. Tata Chemicals Limited, in detail and decided to extend the following incentives:

i. Reimbursement of 100 % VAT/SGST accrued to the State on yearly basis for period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier.
ii. Power cost reimbursement @ Rs.1.50 per unit for 5 years, as per Biotechnology Policy 2015-20.
iii. 100% cost of providing dedicated power line of 4.5 MW limited to Rs.1.00 Crore or the actual, whichever less.

iv. APIIC to provide water supply, Street lights and Storm water connection upto the doorstep of the Company.
v. 50% subsidy for sustainable green measures with ceiling of INR 50 Cr with the green measures as specified in IDP 2015-20.
vi. Capital subsidy @ 10% of the project cost upto Rs.50.0 Crore, limited to Rs 5 Crore and additional subsidy of 5% on the Capital over Rs.50.0 Crore limited to a maximum of Rs.50.0 Crore on the lines of Gujarat Biotechnology Policy.
vii. All other incentives as per Biotechnology Policy 2015-20.

4. Government after careful consideration of the recommendations of the State Investment Promotion Board hereby extend the following incentives to M/s Tata Chemicals Limited for their prebiotic products, FOS/GOS, manufacturing plant with an investment of Rs. 400 Cr and a potential to create employment to 230 persons directly and indirectly at APIIC Industrial Park, Phase II, Mambattu Village, Tada Mandal, Nellore District:

i. Reimbursement of 100 % VAT/SGST accrued to the State on yearly basis for period of (7) years from the date of commencement of commercial production or upto realization of 100% fixed capital investment, whichever is earlier.
ii. Power cost reimbursement @ Rs.1.50 per unit for 5 years, as per Biotechnology Policy 2015-20.
iii. 100% cost of providing dedicated power line of 4.5 MW limited to Rs.1.00 Crore or the actual, whichever less.
iv. APIIC to provide water supply, Street lights and Storm water connection upto the doorstep of the Company.
v. 50% subsidy for sustainable green measures with ceiling of INR 50 Cr with the green measures as specified in the IDP 2015-20.
vi. Capital subsidy @ 10% of the project cost upto Rs.50.0 Crore, limited to Rs 5 Crore and additional subsidy of 5% on the Capital over Rs.50.0 Crore limited to a maximum of Rs.50.0 Crore on the lines of Gujarat Biotechnology Policy.
vii. All other incentives as per Biotechnology Policy 2015-20.

5. The Commissioner of Industries, Andhra Pradesh, Vijayawada shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Commissioner of Industries, Andhra Pradesh, Vijayawada.

M/s. Tata Chemicals Limited through the Commissioner of Industries, Andhra Pradesh.
The Collector & District Magistrate, NelloreDistrict.
The VC & MD, APIIC Ltd., Vijayawada.
The General Manager, District Industries Centre, Nellore District.
The Zonal Manager, APIIC, Nellore.
Copy to
The Finance (FMU-Rev-IC)Department.
The Revenue (CT) Department.
The Revenue (Registration) Department.
The Law (H) Department.
The Accountant General, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes, Vijayawada.
The Vice Chairman & Managing Director, APIIC, Vijayawada.
P.S. to Secretary to Chief Minister.
P.S. to Chief Secretary to Government.
P.S. to Minister for Industries.
P.S. to Secretary to Government & CIP, Industries & Commerce Dept.
SC/SF.

// FORWARDED :: BY ORDER //

SECTION OFFICER